

File No. K-22019/4/2022-EOU  
Ministry of Commerce & Industry  
Department of Commerce  
EOU Section

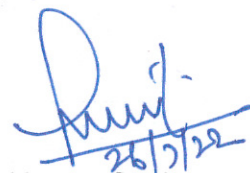
Udyog Bhawan, New Delhi  
Dated: 26<sup>th</sup> July, 2022

**MEETING NOTICE**

**Subject: 4<sup>th</sup> Meeting (2022 series) of Board of Approval (BOA) for EOU Scheme scheduled to be held on 28.07.2022 – Supplementary Agenda regarding.**

In continuation of this department's O.M. of even number dated 21.07.2022, the undersigned is directed to enclose herewith the Supplementary Agenda for the 4<sup>th</sup> Meeting (2022 series) of the BOA for EOU scheme scheduled to be held on 28th July, 2022 at 4:00 PM in Room No. 427, Vanijya Bhawan, New Delhi under the Chairmanship of Commerce Secretary for information and necessary action. The Agenda has also been hosted on the website: [www.sezindia.gov.in](http://www.sezindia.gov.in).

**Encl: As above.**



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1. Department for Promotion of Industry and Internal Trade (DPIIT).
2. CBIC [Member (Customs)], M/o Finance.
3. CBDT [Member (Income Tax)], M/o Finance.
4. DG, DGFT.
5. The Joint Secretary, M/o Environment & Forest.
6. The Joint Secretary, M/o Science & Technology
7. M/o Micro, Small and Medium Enterprises.
8. All DCs.

**Copy to: PPS to CS/PPS to AS(AI)/PPS to JS(VB)/PPS to DIR(SNS).**

**Supplementary Agenda for 4<sup>th</sup> BOA meeting (2022 series) for EOUs to be held on 28.07.2022.**

**4.6(22) Proposal for partial conversion of existing DTA into EOU unit - M/s Inox Wind Limited.**

M/s Inox Wind Limited (situated at Plot No. 20, AKVN Industrial Area, Relwa Khurd, Barwani, Madhya Pradesh) has applied for partial conversion of their existing DTA unit into 100% EOU for manufacture and export of Renewal/Non-Conventional Energy Devices i.e. Wind Operated Electricity Generator consisting of Hubs, Nacelles, Blades, Towers and parts & accessories thereof.

The unit is situated on 1,70,000 sq. mtrs. area and desired to convert the area of 47,637 sq. mtrs. into EOU. There is a clear-cut demarcation of the part portion of the existing DTA unit to be converted into EOU Unit. The said proposed portion for conversion has separate area for storage & production and separate entry & exit points.

The unit has submitted the project report wherein they have mentioned that there will be no common plant and machinery between the proposed EOU and DTA entity. Further, any additional utilities if required for the unit, will be procured by the EOU for its exclusive use. In case of requirement of utilities for both DTA and EOU, they will be procured in the DTA unit only and will be commonly shared by DTA and EOU on cost sharing basis and no duty benefits will be availed by the EOU on such utilities since they will be procured by DTA unit only.

There would be separate books of account, separate GST registration No. including separate bank account, separate accounting system, separate storage and production facilities.

The unit has export obligation under EPCG scheme. The unit has proposed to subsume the pending export obligation under these EPCG authorizations into the export obligation of the proposed EOU in terms of FTP once the LoP is granted.

The existing investment in plant & machinery (depreciated value) is Rs. 62.59 crore. And the proposed additional investment is Rs. 8.00 crores for new plant & machinery.

**Performance of the unit for the last three years:**

<b>FY</b>	<b>Turnover in crores</b>
2018-19	85.96
219-20	60.04
2020-21	69.74

**Relevant provision:** As per para 6.19 (c) of FTP 2015-20 (updated as on 05.12.2017) “Applications for conversion into an EOU unit from existing DTA units, having an investment of Rs. 50 crores and above in plant and machinery or exporting Rs. 50 crores and above annually, shall be placed before BOA for a decision.”

It is pertinent to mention here that Para 6.19 (c) of FTP pertains to conversion of DTA into EOU which mentioned only about conversion of DTA unit into EOU unit. Provisions governing such partial



conversion of an existing DTA unit into EOU are not clearly spelt out in FTP read with HBP. However, a reference for partial conversion in Part (a) of the Annexure to ANF-6A has been mentioned as under:

*“Whether conversion of DTA unit into the EOU has been sought for the full existing capacity of the unit or the proposal is for partial conversion (please give details of the existing capacity etc.)”.*

Accordingly, the matter was taken up with DGFT for requisite clarification whether the partial conversion of DTA unit into EOU unit is allowed or not. DGFT has further taken up the matter with DGEP. However, reply is still awaited from DGFT.

It may kindly be noted that KASEZ in its 7<sup>th</sup> UAC meeting held on 09.05.2016, had approved a proposal for partial conversion of M/s Shreeji Pesticides Pvt. Ltd., Vadodara. However, no such proposal has been considered by BOA. Further, D/o Revenue vide their Circular No. 38/95-Cus dated 17.05.1995 had clarified that the complete physical segregation between DTA unit EOU unit is prerequisite for partial conversion of DTA unit. Therefore it seems that partial conversion of DTA unit into EOU unit is allowed.

**DC's Recommendation:** DC-ISEZ has recommend the proposal.